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**ANNUAL REPORT OF THE ADMINISTRATOR FOR 1992
AND PROGRAMME-LEVEL ACTIVITIES****INTRODUCTION BY THE ADMINISTRATOR****Development: changing attitudes**

1. In recent years, several factors have combined to bring about a reassessment of socio-economic development and of the various contributions which external partners can make to it. As a result, a number of redefinitions, approaches and applications have emerged, giving a distinctly new direction and emphasis to both development and related cooperation from outside.
2. For four decades, assistance to developing countries was driven primarily by the politics of the Cold War and the post-colonial era. The post-independence experience of over half of the world's nations, as well as the break-up of the former Soviet Union and its power bloc, have radically changed international politics, including attitudes to and priorities for international cooperation. In particular, the move from a centrally planned to a market economy as well as the humanitarian response to an upsurge in needs for relief purposes, have put pressure on resources available for international cooperation.
3. Under the old development paradigm, economic, if not military power was seen as essential for survival - if not for domination: hence, development came to be viewed primarily in terms of economic growth. Under the newly emerging paradigm, growth remains important but is increasingly subjected to the tests of its positive impact on individual and societal welfare. The involvement of potential beneficiaries at all stages of the development process becomes indispensable and, conversely, discrimination - particularly gender-based - becomes not only unacceptable but a significant obstacle. In this context, there is a readiness to embrace the electoral process, governance and even human rights as indispensable elements of development as well as of external support to the development process.

4. Growth is also subjected to the test of its impact on the physical environment. A combination of higher consumption patterns and demographic expansion has placed unprecedented demands on the natural resource base of the planet and on its ability to handle the resulting waste products. Awareness that this exponential trend could not continue led to the convening of the United Nations Conference on Environment and Development (UNCED) in 1992. The main outcome of the Conference was the global acknowledgement that development can be meaningful only if it is sustainable, i.e., if it does not deprive future generations of the possibility to enjoy a standard of living at least comparable to that enjoyed by the current generation. There was also agreement that the challenge confronts and must be tackled by developed and developing countries alike.

5. Evaluation of experience in countries at different stages of development and on different continents has led to three important conclusions. First, development is both political and multisectoral: efforts aimed solely at or driven by a single sector or subsector seldom succeed. Second, development is rooted at the country level: there must be a sense of ownership and a national capacity to conceive, programme, implement and manage development. Third, while development takes place eventually at the national level, it needs to do so against a global vision and within a world-wide enabling environment. Recognition of these facts by all parties is crucial if development is to be achieved on a lasting basis.

6. In short, there is an emerging international consensus that development is aimed at improving the human condition rather than achieving growth *per se*. It is acknowledged that while economic growth is a necessary condition for human development, it cannot take place at the cost of future generations. Effective development recognizes the complexity of the endeavour and builds national capacity for the myriad tasks involved. Finally, development is restored to its original role in the Charter of the United Nations - as an essential contribution to the quest for peace.

External cooperation

7. For development to be lasting, logic dictates that national commitment and effort must be paramount in the process. External help can contribute positively to national development provided that it is carefully conceived and targeted: it must also be supportive of and not substitute for national commitment and effort. In fact, much of the financial flow between countries in the past 40 years pertained to military and other non-productive purposes. Of the rest, relatively little was specifically oriented towards human development. Moreover, in too many cases, priorities for aid flows were determined by the donors more than by the recipients. Since these priorities did not focus on human welfare and the physical environment, it is not surprising that the impact of external cooperation is generally perceived as not commensurate with its volume, which has amounted to some \$50 billion annually in recent years. This perception has undoubtedly been reinforced by the inexorable growth of world population - currently over 90 million a year and overwhelmingly in developing countries - which has eroded achievements on a per capita basis in many countries.

8. In the light of experience and the evolving international climate, the role and nature of development assistance have been reappraised. In most cases, the very term assistance has given way to the term "cooperation", reflecting the changed relationship between donor and recipient. New impulses for cooperation have appeared. In addition to concern for the physical environment, another concern which is reviving the interest of some higher-income countries to cooperate with low-income countries is the actual and potential increase in the scale of international migration. While the motives for cooperation continue to vary from strategic aims through self-interest to humanitarian ends greater attention is being paid to effectiveness and impact on both human and environmental welfare, in line with the changed conception of development itself. This is particularly true of multilateral cooperation.

9. The renewed focus on the effectiveness of cooperation has led to an examination of the methodology and the tools used for the purpose. With the exception of emergency operations, for which the term "aid" may still apply, it has been concluded that external contributions to development must support national goals and programmes and not substitute for them. This principle is not new, but it has been more honoured in the breach than in practice. Cooperation must be targeted at national priorities for maximum impact and be cost-effective. Too often in the past, external cooperation has been applied to peripheral issues with little regard to costs, including opportunity costs, especially when these were incurred in the currency of the donor country. In addition, for external cooperation to be more than a palliative, it must ensure that national capacity is built to absorb and retain the newly transferred skills, technologies and related infrastructures.

Coordination

10. Not only has outside help been too often donor-driven, it has also not been sufficiently integrated with national or other external efforts in the same field. This has led to repeated calls for improved coordination and to the search for the distinctive contribution which each donor partner can make to the development process; a concept which has been dubbed "comparative advantage".

11. One of the most significant outcomes of the evolution from aid to cooperation has been the emergence of the policy dialogue between the partners. The broad acceptance that recipient goals and programmes must be the basis for cooperation does not preclude discussion on the validity or practicality of such aims. Donors cannot reasonably be expected to allocate their tax-financed contributions without satisfying themselves that they are well directed and managed.

Programme approach

12. Inevitably, this dialogue at the policy level has led to the realization that cooperation which begins and ends at the level of the project is unlikely to be successful. Instead, cooperation should ideally flow from clear national policy goals, to be attained through a network of actions and institutions - usually multisectoral - managed locally in a flexible and responsive manner, based on regular substantive and accounting feedback. This, in essence is the programme approach. It in no way excludes projects as discrete elements for purposes of management. However, it does expose the weakness of projects which

are not linked to larger programmatic goals and which do not take account of critical, related programme elements.

13. Where national programme frameworks exist, they provide the basis for effective integration of local and external resources. By dovetailing the contributions of different partners - based on the comparative advantage of each - into a coherent national effort, programme frameworks represent the best means of ensuring coordination among donors, under national leadership.

The role and response of the United Nations system

14. The evolving experience and thinking on development, its relationship to conflict as well as conflict resolution and the role of external cooperation have found active expression in the United Nations. There is a growing recognition that, under the newly emerging paradigm, global security will have to be sought increasingly through efforts to provide social and economic justice within and between nations and to assure access to the planet's resources for all its denizens, both in this and future generations. No single power or cluster of powers can take on this task. The United Nations offers the necessary, consensual forum for the purpose, and through its operational activities can contribute to its achievement.

15. Discussions on the reform of operational activities have been under way in the General Assembly and the Economic and Social Council. General Assembly resolution 44/211 of December 1989 was in many ways a landmark in this regard. It has been strengthened and amplified in resolutions 46/219 and 47/199. In keeping with the principle of development that is truly country-based, the United Nations system, while responding to global mandates, has been called upon to work even more closely with recipient countries in programming its activities. The system has also been called upon to adopt a more coordinated and cooperative approach than in the past, and to decentralize its operations to the maximum extent compatible with accountability. The organizations of the United Nations have moved to respond to the General Assembly's resolution, both collectively and individually.

16. The inter-agency bodies such as the Administrative Committee on Coordination (ACC) and the Joint Consultative Group on Policy (JCGP) and their sub-bodies have a major role to play in adapting practice to the new policies laid down by the General Assembly. UNDP, for its part, is playing an active role in these forums, working closely with its partner organizations to bring about changes that will meet the new demands being placed on the multilateral system.

17. The concept of a country strategy note for the United Nations system at the field level, first agreed upon by ACC in October 1992, is under review in the light of the related provisions in resolution 47/199, which stress the national ownership of the note. For interested recipient countries, their country strategy note will serve as the broad framework for the country programmes of each organization as well as a reference for their governing bodies when considering country programmes for those countries.

18. UNDP is collaborating with its ACC partners on a number of other issues covered in General Assembly resolution 47/199. A common interpretation of the

programme approach has been adopted by ACC. The challenge now is for ACC members to translate it into action. UNDP has drawn up its own guiding principles on the programme approach in consultation with governments and agencies and has issued them for use by its field offices. To facilitate the translation of the programme approach into practice, a new mechanism - the programme support document (PSD), has been elaborated and introduced on a trial basis. The PSD focuses on the support from UNDP to building capacity for the implementation and sustainability of the goal-oriented national programme. Capacity-building is discussed in a report to the Governing Council (DP/1993/23). It is also the subject of a research project co-sponsored by UNDP and the World Bank. This is designed to identify the elements and circumstances of successful and sustained capacity-building, including methodologies for assessing capacity-building outcomes.

19. General Assembly resolution 47/199 also calls for a common interpretation of national execution. Work in this respect is under way in the Consultative Committee on Programme and Operational Questions (CCPOQ). UNDP has revised its own operational guidelines on national execution, which are under review in the light of a common United Nations system interpretation of the term. National execution has been consistently promoted by the Governing Council as a means of ensuring national ownership of the development process and developing the capacity to manage it. New approvals for this modality rose from 30 per cent in 1991 to 37 per cent in 1992. This pattern is likely to continue and accelerate during the fifth cycle. Steps are being taken to ensure that activities under national execution are appropriately supported, particularly through technical backstopping, by the specialized agencies.

20. At the initiative of JCGP, considerable progress has been made in harmonizing the programming exercises and cycles of the member organizations, in most cases around the planning cycles of host governments. Field-level committees, often chaired by the UNDP Resident Representative, in the capacity of Resident Coordinator, have been especially effective in this connection. Such harmonized programming has been achieved in about 33 per cent of countries and a workplan has been developed by the JCGP Sub-Group on Harmonization for increasing synchronization in future, in response to General Assembly resolution 47/199.

21. The United Nations system was also requested by the General Assembly in its resolution 47/199 to harmonize its processes and work towards common formats, rules and procedures. UNDP is collaborating fully with its partners in the United Nations system to make progress in this regard and to agree on a common manual. Moreover, in 1992, it co-sponsored with the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) a study of the accounting requirements of the three organizations regarding national execution, with a view to achieving greater convergence. It is also co-financing from Special Programme Resources (SPR) a larger United Nations-executed study aimed at rationalizing aid accountability requirements among multilateral and bilateral donors.

22. UNDP proposed that the Inter-Agency Working Group on Evaluation develop system-wide approaches to harmonize monitoring and evaluation. Feedback is a particular concern of the General Assembly. UNDP has commissioned a study of its feedback mechanisms and uses as a basis for its future programming.

23. In its resolution 47/199, the General Assembly calls for widening the pool of candidates for the selection of resident representatives/resident coordinators. In line with the resolutions, candidates will be sought primarily from JCGP members and increased transparency will be brought to the selection process. Arrangements to fulfil this requirement are under discussion in JCGP. In fact, some 40 per cent of present and former Resident Representatives still serving in UNDP have first-hand experience with other organizations of the United Nations system, on a secondment or transfer basis.

24. Joint training of 35 United Nations country teams (representatives at the country level) with the assistance of the International Labour Organization (ILO) Turin Training Centre, has been successfully undertaken during the past two years. Common training is also undertaken in areas such as environment, disaster management, and gender in development. In 1992, at the request of the Governing Council, over 400 staff of UNDP, the specialized agencies and Government counterparts received training in the new support cost arrangements.

25. The use of common premises has been encouraged by the General Assembly wherever feasible and without additional cost. Currently, one third of the offices of the Food and Agriculture Organization of the United Nations (FAO), of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and of ILO, more than half of those of the United Nations Information Centre (UNIC), approximately one fifth of those of UNICEF and the same number of the United Nations High Commissioner for Refugees (UNHCR) offices share premises with UNDP. The World Health Organization (WHO), the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO), the World Bank and the International Monetary Fund (IMF) normally have separate office premises. In the majority of instances, however, UNFPA, the World Food Programme (WFP) and the United Nations Industrial Development Organization (UNIDO) share premises with UNDP because the UNDP Resident Representative is also appointed as the Representative of these agencies at the field level. A joint study by UNDP and UNICEF has been undertaken to determine the prospects for expanding the number of their common premises depending on the related costs and savings.

26. In its resolution 47/199, the General Assembly calls for the harmonization of decentralization measures at the country level. UNDP Resident Representatives already enjoy considerable authority for programme, personnel and administrative matters. Programme-related approval authority has been increased to \$1 million: in addition, it may be enhanced if approval is within the earmarking of a programme support allocation cleared by the UNDP Action Committee. Details on programme management, including decentralization, are given in document DP/1993/24.

27. As a result of the response of the United Nations system to the recent General Assembly resolutions on operational activities, improved coordination and cooperation among the organizations and agencies of the system are being achieved. It is expected that these initiatives will be reinforced by the restructuring of the socio-economic elements of the United Nations, under discussion by the General Assembly. Substantively, the focus of operational activities will increasingly reflect Agenda 21.

The UNDP response

28. The UNDP response to the new orientations for external cooperation has taken place in part through the inter-agency mechanisms as outlined above, and in part through initiatives emanating directly from UNDP.

29. The bulk of UNDP activities continue to be those funded under country programmes. Compared with earlier programme cycles, the 97 country programmes approved for the fifth cycle and the further 28 before the Governing Council at its fortieth session are far more focused, in line with Council decision 90/34. Core themes are poverty alleviation, management of economic reform, natural resource management, productivity enhancement, fighting HIV/AIDS and private sector development. Issues such as promoting women in development and sustainable development have been identified as essential cross-cutting elements to be addressed. The main programme record of the present report (DP/1993/10/Add.1) provides illustrations of UNDP interventions in these fields.

30. The country programme, by definition, reflects the particular characteristics and needs of each of the countries with which UNDP cooperates, ranging from small countries to large ones, from least developed countries (LDCs) to rapidly modernizing ones. The diversity of UNDP support is broad: differentiation between countries - and between broad geographic regions - is a necessary part of UNDP responsiveness. However, notwithstanding the recent initiatives relating to the former Soviet bloc and the increasing importance of cost-sharing, especially in Latin America, 58 per cent of UNDP indicative planning figure (IPF) allocations continue to be directed to the designated LDCs.

31. In particular, two broad themes run through most of the country programmes approved so far, regardless of the status or location of the country concerned: human development and the environment. Both themes are also being promoted from sources additional to country IPFs such as the SPR and the Global Environment Facility (GEF).

Human development

32. The General Assembly has reaffirmed the importance of human development and asked the United Nations system to increase operational support to sectors vital to human development. UNDP is undertaking an analysis of approved fifth cycle country programmes to document the human development content of the programmes. According to preliminary results, out of the approved country programmes, 79 were deemed to have a clearly stated human development focus. Of the other 18, 11 also had a human development focus, but it had not been clearly or explicitly stated. The annual review and especially the mid-term review provide the opportunity to re-examine the focus of the country programmes with a view to orienting them more towards human development.

33. The main programme record (DP/1993/10/Add.1), as well as the illustrated annual report of UNDP for 1992 provide examples of UNDP support for human development across the globe. Of particular note is the fact that by the end of 1992, over 20 countries had requested UNDP cooperation to set human development targets and to reallocate national budgets.

34. The enhanced focus on human development has led to greater focus on poverty alleviation and contributed to the growing acceptance that cooperation must also be directed to improved governance and other measures aimed at removing obstacles to real participation, which is the theme of the Human Development Report, 1993.

The environment

35. The United Nations Conference on Environment and Development, held in Rio de Janeiro in June 1992, brought sustainable development firmly to the top of the international agenda. The adoption of Agenda 21 challenges all Member States of the United Nations to pursue their development efforts while respecting the physical environment which sustains them. For some years, UNDP has supported the promotion of sustainable development through its national, regional, and global programmes. Many countries received help from UNDP in their preparations for UNCED. Moreover, among United Nations specialized agencies, UNDP played a leading role in promoting and supporting contributions by non-governmental organizations (NGOs) - including environment and development NGOs, women's organizations and indigenous people's movements - to the Conference. At the Earth Summit itself, UNDP provided major support for the Global Forum, the umbrella NGO activity, as well as for the "women's tent" and intersectoral activities. Capacity 21 was launched by UNDP to provide support for the strengthening of national capacity to handle the complex task of placing development on a sustainable basis. It has a goal of \$100 million for the pilot phase. UNDP, with its partners the World Bank and the United Nations Environment Programme (UNEP), continues to manage the Global Environment Facility, which grew from a concept developed by UNDP. As of end 1992, \$698 million had been approved, of which \$230 million came under the responsibility of UNDP.

36. Apart from activities planned and undertaken from special funding sources, most UNDP country programmes for the fifth cycle as well as regional and interregional programmes include the environment as a major area of concentration. UNDP support has been sought for a variety of purposes, ranging from strategy and policy formulation to specific programme and project implementation.

37. In this connection, innovative strategies are being developed to improve the urban environment in nine mega-cities, and UNDP is working closely with NGOs through its project Local Initiative Facility for Urban Environment (LIFE) and the GEF small grants programme. Following the conclusions of UNCED, support to community-level environmental and waste management has increased, with support in particular to women's groups for this purpose. UNDP has also provided the stimulus for the creation of Sustainable Development Networks (SDNs) to give countries needed access to new information, experience and technology for the environment.

38. Combining the UNDP mandate for human development with the forceful mandate to all the organizations of the United Nations system on sustainable development, the UNDP mission may now be accurately described as sustainable human development, with sustainability pertaining to both the ecological base for development as well as to the institutions on which such development is founded.

Instruments and modalities

39. While the thrust of UNDP cooperation is becoming more focused on sustainable human development - and it is recognized that the transition will span the present, fifth programming cycle - the instruments and modalities to make such cooperation more firmly nationally owned have also been put in place. These relate to the programme approach, capacity-building, national execution and new support-cost arrangements - all of which find mention in General Assembly resolution 44/211, and were further clarified in General Assembly resolution 47/199.

40. The implementation of the new support cost arrangements is now fully under way. An extensive training programme in the use of the new instruments, as requested by the Governing Council, has been carried out. This was a successful tripartite exercise in which representatives of Governments, United Nations specialized agencies and UNDP participated. With greater familiarity in the use of the new modalities, it is expected that field practitioners will begin to make greater and more effective use of them. However, a slowdown in new approvals resulting from resource constraints has to some extent limited and delayed the full application of the new arrangements. As the build-up of the programme gains momentum in the fifth cycle, there will be greater opportunities to apply the new arrangements and the longer-term improvements expected from them will begin to be realized.

The comparative advantages of UNDP

41. At the request of the Governing Council, a study has been made of where the comparative advantages of UNDP lie (DP/1993/28). Particular concern was expressed concerning the relationship of UNDP with the international financial institutions, especially the World Bank. This is the subject of another study (DP/1993/25).

42. It emerges from these two studies - and is borne out by general experience - that UNDP offers two types of advantage: functional and substantive. Functional advantages are derived from the essentially country-based relationships of UNDP with governments, NGOs, the United Nations system and other donors, and also from the mechanisms of designing and delivering technical cooperation, as well as from the methods of intervention developed. Substantive advantages are related to strengthening national capacity in the main areas of concentration of the fifth cycle country programmes. However, it is recognized that further effort is required for UNDP to establish a special role in those areas. Clear, complementary roles are seen for UNDP and the World Bank, although it is accepted that a limited degree of competition between the two organizations can work to the benefit of the recipient. In this connection, it is notable that General Assembly resolution 47/199 explicitly recognizes a role for the United Nations system in assisting countries undergoing economic and social reforms.

New challenges

43. One of the UNDP comparative advantages - which is also perceived by some as a disadvantage - is its multisectoral mandate. This has always made it a difficult task to promote a distinctive image for UNDP: its scope is broad and

development is all-encompassing. But this also provides flexibility to UNDP to respond in innovative ways to new challenges as they emerge. The changed perception of what constitutes development, and how external cooperation can help the process, has offered opportunities to UNDP to move into new areas.

Electoral assistance

44. In recent years, UNDP has been called upon increasingly to support activities designed to promote the electoral process. An electoral assistance trust fund became operational to provide technical and material support for free and fair elections in countries which had no previous experience in organizing multi-party elections. The fund interacted closely with the new United Nations Electoral Assistance Unit. In Madagascar, the Office of Project Services (OPS) has been strengthening the National Electoral Council and assisting government coordination of external aid for elections. UNDP has helped to determine logistical and material needs and to procure the necessary supplies, such as computers and audio-visual equipment. Similarly in Angola, UNDP provided logistical support and helped to create a permanent electoral register. Electoral experts funded by UNDP helped to ensure free and fair elections in Albania in March. The national referendum on independence for Eritrea benefited from \$1.5 million from the donor community mobilized by UNDP for the purpose.

45. Moving beyond the electoral process, UNDP has taken initiatives to facilitate proper law enforcement as well as discussion on, and actions for, improved governance. In 1992, UNDP was called upon to help to build a new police force in El Salvador and will undertake a similar task in Haiti and Somalia. In a continent where consolidation of democracy is a primary preoccupation in many countries, the Regional Programme for Latin America and the Caribbean has established governance as one of the three major areas of focus for the fifth cycle. The programme was initiated with two brainstorming meetings, one held in Caracas in May 1991 and the second in Valparaiso in December 1992. The former brought together representatives from academic institutions, NGOs, indigenous peoples and other groups of civil society to define problems from their viewpoint. The latter, on the topic of governance for human development, was co-sponsored with the Inter-American Development Bank (IDB) and included a majority of parliamentarians, as well as some officials from the executive branch and journalists. The Regional Bureau is currently finalizing a specific programme to implement recommendations of these meetings. Such activities were formerly not included in the UNDP purview, but are now seen as necessary to create a stable base for sustainable development.

Private sector

46. The private sector is a major component of civil society. In the post cold-war era, there has been renewed emphasis on the role of the private sector as a vehicle for mobilizing capital, technology and expertise for self-reliant development. UNDP has responded by increasing its capacity to provide assistance to the formulation of new industrial policies and trade and investment strategies, to small- and medium-scale enterprises, and to privatization. In 1992, the Division for Private Sector in Development combined with the United Nations International Short-Term Advisory Resources (UNISTAR) and the Investment Feasibility Study Facility to take new initiatives to promote the role of the private sector in development, including the development of a

number of modules representing successful innovative efforts to promote private sector expansion and to stimulate investment. Fifteen special advisers to Resident Representatives on the private sector were designated and an extensive corporate roster of experts on various aspects of private sector development was inaugurated.

The Commonwealth of Independent States, the Baltic States and Georgia

47. The creation of new independent States in Central and Eastern Europe and the former Soviet Union presented UNDP with a major challenge in 1992. The Secretary-General has called for the establishment of unified field offices in a number of the new countries. UNDP, together with the United Nations Department of Public Information, was asked to set up the necessary field office structure. At the same time, the Governing Council supported a positive response to requests from newly independent states for recipient status and authorized limited funds for the opening of offices. Additional resources were successfully mobilized from the countries themselves and donors, enabling UNDP to use its resources as seed money. The newly created Regional Division for Europe and the Commonwealth of Independent States became responsible for arrangements and agreements to establish the new field offices. Seen as a window on the information and technology available elsewhere, the United Nations system was called upon to support capacity-building for the transition to market economies with an emphasis on participatory development.

International migration and internal displacement

48. The numbers of people moving across international boundaries worldwide are substantial: in the late 1980s, some 80-100 million people were estimated to be living outside their countries of birth. These numbers have undoubtedly grown in the past several years and there is no sign of abatement. In addition, internally displaced people are estimated at some 23 million. While migration to Western Europe has attracted attention recently (Western Europe and North America account for 13-15 million international migrants each), some 35 million are located in sub-Saharan Africa and 15 million in Asia and the Middle East. It is, therefore, important to keep in perspective that most international migration currently occurs between developing countries themselves.

49. Given the existing and projected demographic growth, international migration - both voluntary and forced - appears certain to increase. The link to development is clear. On the one hand, sustainable human development can reduce the need or desire to migrate: on the other hand, uncontrolled migration can have a negative socio-economic and environmental impact on the host country or region.

50. UNDP, with its mandate for sustainable human development, is being called upon, with its partners in the United Nations system, to respond to the challenges posed by international migration, as well as by internal displacement.

Relief and rehabilitation

51. In the context of international migration, UNDP has also been required to respond flexibly. In response to General Assembly resolution 46/182 and

Governing Council decision 92/20, UNDP attempted to bring to bear its multisectoral human development expertise in working with governments, bilateral donors and other entities of the United Nations system to put in place rehabilitation and recovery measures. Both of these decisions encompassed a variety of institutional, operational and financial measures designed to give practical effect to the relief-to-development continuum, whose concept is to move as fast as possible from emergency-phase activities through recovery and rehabilitation to resumed sustainable development. UNDP is developing procedures to allow for the rapid deployment of personnel, equipment and funds in response to emergencies while preserving accountability through a mechanism of ex post facto reporting.

52. UNDP has emerged with a significant role in the reintegration of returning refugees, internally displaced persons and demobilized soldiers. In consultation with the Department of Humanitarian Affairs, and in close cooperation with UNHCR and WFP, large-scale programmes were undertaken. OPS developed special methods and capacity to design and execute projects for the Development Programme for Refugees, Returnees and Displaced Persons (PRODERE) in Central America, as well as in similar operations in Cambodia and Mozambique.

53. The ongoing and joint UNDP/DHA Disaster Management Training Programme played a significant role in enhancing government, United Nations system, NGO and bilateral preparedness (and hence response capacity) at country level. Five regional workshops and 20 country-specific training events were held, covering over 600 participants. Thirteen countries requested follow-up capacity-building activities and, in eight countries, United Nations Disaster Management Teams were formed for the first time.

54. United Nations Volunteer (UNV) specialists have proven to be particularly effective in UNDP-funded initiatives related to grass-roots participation and relief and rehabilitation. They are especially suited to the quick response, field-oriented operations that characterize such interventions. The number of UNV specialists and Domestic Development Service (DDS) workers rose from 2,055 and 2,061 at the end of 1990 and 1991 respectively to 2,489 at the end of 1992, mainly as a result of the increased demand for UNV services in humanitarian relief and peace-related assistance activities. A total of 594 UNV specialists were assigned to these tasks. Of these, 508 served in Cambodia mainly assisting in the elections and electoral support functions.

55. Funding for UNV specialists, which was primarily from IPFs, has become correspondingly more diversified. According to the UNV strategic approach document, the focus in the next three years will also be on community-based activities, humanitarian relief and reconstruction and peace-related initiatives, in addition to the traditional technical cooperation modality.

HIV/AIDS

56. The World Health Organization (WHO) estimates that globally one in every 250 adults is infected with HIV and that by the year 2000 some 40-50 million people will have been infected. Infection rates in some communities in Africa, Asia, the Caribbean and Latin America are significantly higher than 10 per cent of the adult population. In these places, human and community survival is already threatened.

57. Human development will be placed in jeopardy and the nature of technical cooperation challenged and changed by this pandemic. The nature of the HIV/AIDS pandemic, the absence of a cure and its social and economic consequences demand a multisectoral and interdisciplinary response. UNDP recognizes that this pandemic is a new phenomenon in the world and requires urgent and effective responses in new programming areas. These include: attitudinal and behavioural change; legal and ethical framework; community care and support initiatives; and maintenance of the basic economic and social infrastructure.

58. UNDP is actively engaged in collaborative partnerships and working relationships with Governments, the United Nations system, community-based organizations, NGOs, donor agencies and the private sector in efforts to strengthen national capacity to respond to the multidimensional aspects of the pandemic.

59. Since 1987, UNDP has provided over \$40 million in approximately 30 countries for national HIV/AIDS-related programmes. It is estimated that a further \$100 million to \$150 million will be allocated during the current programming cycle (1992-1996).

Drug control

60. For several years, UNDP has been called upon to contribute to drug control. In paragraph 3 of resolution 47/100, the General Assembly "calls upon the governing bodies of all United Nations agencies associated with the System-Wide Action Plan to facilitate its implementation by designating an agenda item under which the Action Plan may be considered at their next regular meeting".

61. In general, UNDP activities at the national level in drug abuse control continue to be concentrated in the Asia and Pacific and Latin America and Caribbean regions. These fall into three overall categories:

(a) Technical cooperation financing through IPFs, SPR and cost-sharing;

(b) Provision of support through the UNDP field office network to facilitate the United Nations system activities related to drug abuse control and to promote communication and coordination between Governments and the system at the country level; and

(c) Execution by OPS of projects financed by UNDP, the United Nations International Drug Control Programme (UNDCP) and other sources.

62. As regards the System-Wide Action Plan (SWAP), Governments have sought UNDP support in drug-abuse related fields, most of which are cross-sectoral and do not correspond neatly with the SWAP categories. Where UNDP-funded country-level activities are implemented by United Nations organizations, they are included in SWAP, in the appropriate sections of the Agency concerned.

63. However, it is increasingly apparent in this field that Governments see UNDP assistance as most relevant first to the cross-sectoral areas which are difficult to approach from traditional entry points in which United Nations specialized agencies have expertise and secondly to the development action that complements the more focused drug-abuse control activities of UNDCP.

Accordingly, UNDP has suggested that a section of the reporting on SWAP be given to important multisectoral programmes that support control and prevention but which do not fit neatly into the narrow SWAP categories.

64. UNDP action in this important area reflects and supports the programme approach and the need to integrate drug prevention and control activities into overall UNDP support for sustainable human development. In part, this has opened new areas of advocacy and created non-traditional forms of cooperation. One example is the project in Latin America approved under SPR financing which examines key issues of national macroeconomics and capital flows connected to drug abuse. Another very different example is UNDP collaboration, under JCGP auspices, in experimental joint programming in drug abuse control in four countries with the International Fund for Agricultural Development (IFAD), WFP, UNDCP, UNICEF and UNFPA.

Resources

65. At a time when UNDP is being required to meet ongoing as well as new challenges and when the number of countries with recipient status has increased, it is disturbing to report that, after several years of annual increases, contributions to UNDP fell from \$1,073 million in 1992 to an estimated \$930 million in 1993. It also appears that the target for annual increases in contributions of 8 per cent assumed in decision 90/34 is unlikely to be achieved. As a result, based on estimates of contributions in the rest of the years of the fifth cycle, it has been reluctantly decided that for programme planning purposes, resources at the level of 75 per cent of the established IPFs should be assumed. Also, as reported earlier, the number of posts funded by the headquarters core administrative budget has been reduced by 15 per cent for the current 1992-1993 biennium. Furthermore, a net volume reduction of \$46.5 million in the core budget has been proposed for the 1994-1995 biennium (DP/1993/45), made possible by a comprehensive review of the structure and functions of UNDP and the subsequent rationalization related to both. Strict management controls are being applied to ensure that the build-up of the programme during 1993 and 1994 is consistent with available and projected resources. While these steps are being taken in the interest of prudent financial management, they are, of course, regrettable, especially in view of the dimensions of the development challenge and the adjustment introduced over the last few years to respond more effectively to them. It is hoped that programme levels, as currently established, can be sustained, and in fact increased, should additional resources be forthcoming.

Personnel management

66. UNDP continued to make a concerted effort to implement a human resources strategy which would enable it to recruit, retain and develop the very best staff for the Programme. UNDP continued its vigorous recruitment of women. Thirty-three per cent of Professional staff, including national and junior professionals, are now female. All candidates, whether identified through global recruitment missions, review of applications, or recommended by their governments, had to pass panel interviews before they could be recruited.

67. UNDP also continued to put major emphasis on staff development. Training, an integral part of staff development and an important investment in human

resources, was conducted in programming, administrative matters and information systems. UNDP has invested close to 3 per cent of staff costs in training and put significant resources and effort into enhancing the management skills of its managers. Most UNDP Professional staff have attended the management training programme, which was extended in a modified version to all staff to enhance communication and interpersonal skills throughout the organization.

68. Another critical part of the UNDP international career system and of staff development was the transfer of staff between functions and locations. As a field-oriented organization, regular movement between headquarters and country offices as well as between country offices has always been a central feature of the UNDP approach to human resource development. The improved reassignment system introduced two years ago for internationally recruited staff continued to be implemented, and the duration of assignments was extended to ensure greater continuity. This system has introduced more transparency and equity for staff while at the same time meeting organizational requirements for the smooth turnover of staff through advance decision-making.

69. One of the cornerstones of the UNDP human resource policy is the new performance appraisal system. It is based on work planning, mid-year reviews and a formal year-end review, opening two-way dialogue between staff and their managers.

70. UNDP actively pursued the development of policies to enhance the overall well-being of its staff. These included spouse employment and HIV/AIDS personnel policies, a pilot programme for staff assistance in headquarters, providing off-site counselling for personal or work-related problems, and a policy on sexual harassment, including a complaint procedure.

Restructuring and reform of the United Nations

71. Throughout 1992 and into 1993, a far-reaching debate has been taking place in the United Nations regarding the need to reform and restructure the organization to bring it in line with the challenges of the post cold war era. An important part of this debate has revolved around the socio-economic and operational activities of the organization. Of particular note are the constructive proposals for changes in funding and governance put forward by the Nordic countries, which seek to improve the impact and efficiency of the United Nations in these areas. In addition, the Secretary-General has taken a number of initiatives relating to the Secretariat, some of which have an impact on UNDP. Most significantly, he has decided that the Office of Project Services will be relocated in the Department for Development Support and Management Services. The arrangements for this relocation and the implications for the implementation of UNDP-funded activities are still being worked out. UNDP has also reduced the number of its top posts, in line with similar reductions in other organizations as well as in the United Nations Secretariat itself. Other changes may be forthcoming which will also have an impact on UNDP.

72. Shifts in the development paradigm, in the perceived role of external cooperation for development, and in the role and structure of the United Nations all make for an environment of change, complex relationships between development and humanitarian assistance, and considerable institutional uncertainty. Yet

the challenge posed by the Charter of the United Nations remains as valid and as urgent as ever.

73. Responding to the General Assembly, UNDP has re-examined its mandate, its focus, its tools and its modalities. It has collaborated fully with its partners in the United Nations system in an attempt to make the system more relevant and more effective. While the reform and restructuring of the United Nations and eventually of the whole United Nations system will undoubtedly go further, the mandate and functions of UNDP seem certain to remain valid. More than ever, there will remain a need for a multisectoral, country-based organization supporting national, regional and global capacity-building efforts for sustainable human development, and with sufficient central funding resources at its disposal to ensure its coordination role as well as its credibility with recipient countries. Properly coordinated with contributions from the other organizations and agencies of the system as well as other multilateral and bilateral agencies, the updated approach of UNDP, its procedures, its tools and, above all, its field office network and experienced development staff continue to constitute an important component of the capability of the United Nations "to promote social progress and better standards of life in larger freedom".
